

for the administration of the public awareness campaign described in subsection (d) an amount equal to the penalties collected during the preceding fiscal year under section 7530 of the Internal Revenue Code of 1986.

(d) **PUBLIC AWARENESS CAMPAIGN.**—The Secretary of the Treasury shall conduct a public information and consumer education campaign, utilizing paid advertising, to educate the public on making sound financial decisions with respect to refund anticipation loans (as defined under section 7530 of the Internal Revenue Code of 1986), including the need to compare—

(1) the rates and fees of such loans with the rates and fees of conventional loans; and

(2) the amount of money received under the loan after taking into consideration such costs and fees with the total amount of the refund.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date that is 1 year after the date of the enactment of this Act.

SEC. 7. TAXPAYER ACCESS TO FINANCIAL INSTITUTIONS.

(a) **ESTABLISHMENT OF PROGRAM.**—The Secretary is authorized to award demonstration project grants (including multi-year grants) to eligible entities which partner with volunteer and low-income preparation organizations to provide tax preparation services and assistance in connection with establishing an account in a federally insured depository institution for individuals that currently do not have such an account.

(b) **ELIGIBLE ENTITIES.**—

(1) **IN GENERAL.**—An entity is eligible to receive a grant under this section if such an entity is—

(A) an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code,

(B) a federally insured depository institution,

(C) an agency of a State or local government,

(D) a community development financial institution,

(E) an Indian tribal organization,

(F) an Alaska Native Corporation,

(G) a Native Hawaiian organization,

(H) a labor organization, or

(I) a partnership comprised of 1 or more of the entities described in the preceding subparagraphs.

(2) **DEFINITIONS.**—For purposes of this section—

(A) **FEDERALLY INSURED DEPOSITORY INSTITUTION.**—The term “federally insured depository institution” means any insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and any insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(B) **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.**—The term “community development financial institution” means any organization that has been certified as such pursuant to section 1805.201 of title 12, Code of Federal Regulations.

(C) **ALASKA NATIVE CORPORATION.**—The term “Alaska Native Corporation” has the same meaning as the term “Native Corporation” under section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

(D) **NATIVE HAWAIIAN ORGANIZATION.**—The term “Native Hawaiian organization” means any organization that—

(i) serves and represents the interests of Native Hawaiians, and

(ii) has as a primary and stated purpose the provision of services to Native Hawaiians.

(E) **LABOR ORGANIZATION.**—The term “labor organization” means an organization—

(i) in which employees participate,

(ii) which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and

(iii) which is described in section 501(c)(5).

(c) **APPLICATION.**—An eligible entity desiring a grant under this section shall submit an application to the Secretary in such form and containing such information as the Secretary may require.

(d) **LIMITATION ON ADMINISTRATIVE COSTS.**—A recipient of a grant under this section may not use more than 6 percent of the total amount of such grant in any fiscal year for the administrative costs of carrying out the programs funded by such grant in such fiscal year.

(e) **EVALUATION AND REPORT.**—For each fiscal year in which a grant is awarded under this section, the Secretary shall submit a report to Congress containing a description of the activities funded, amounts distributed, and measurable results, as appropriate and available.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary, for the grant program described in this section, \$10,000,000, or such additional amounts as deemed necessary, to remain available until expended.

(g) **REGULATIONS.**—The Secretary is authorized to promulgate regulations to implement and administer the grant program under this section.

(h) **STUDY ON DELIVERY OF TAX REFUNDS.**—

(1) **IN GENERAL.**—The Secretary of the Treasury, in consultation with the National Taxpayer Advocate, shall conduct a study on the payment of tax refunds through debit cards or other electronic means to assist individuals that do not have access to financial accounts or institutions.

(2) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall submit a report to Congress containing the result of the study conducted under subsection (a).

SEC. 8. EXPANDED USE OF TAX COURT PRACTICE FEES FOR PRO SE TAXPAYERS.

(a) **IN GENERAL.**—Section 7475(b) (relating to use of fees) is amended by inserting before the period at the end “and to provide services to pro se taxpayers”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on the date of the enactment of this Act.

ANALYSIS OF TAXPAYER PROTECTION AND ASSISTANCE ACT

OPR discipline is imposed after a hearing before an administrative law judge or as a result of an agreement between the OPR and the representative. Little is known about the basis for these actions, because the current practice is to publish only the identity of the representative, the disciplinary action taken; and the effective date. The bill would open the process to the public, providing greater transparency and accountability for both the representatives and the OPR.

Following the practice of many State attorney discipline processes, the bill provides that proceedings before an administrative law judge are open to the public. These proceedings are initiated by the Director of the Office of Professional Responsibility after the representative has been notified of the proposed charges, and has had an opportunity to respond to the Director. In many cases, the representative agrees with the Director that a violation of the rules of conduct has occurred, and agrees to accept a disciplinary action without a hearing before an

administrative Judge. When discipline is imposed based on such an agreement, the bill provides that the Director will provide summary information about the conduct which gave rise to the sanction.

There is a longstanding provision of 26 USC 6103, permitting taxpayer information to be disclosed in proceedings brought to impose discipline under 31 USC 330. The bill provides a limitation on the disclosure of information about the client, allowing the administrative law judge to decide whether the client information is necessary to understand the nature, scope or impact of the misconduct. In cases where discipline is imposed without bringing the matter before an administrative law judge, the Director makes this determination. The bill also provides a general protection for medical information, the release of which would be an unwarranted invasion of personal privacy. For example, when a practitioner offers evidence of physical or mental health problems to explain his or her conduct, the release of that medical information in a proceeding may be inappropriate.

Mr. AKAKA Mr. President, I am proud to cosponsor the Taxpayer Protection and Assistance Act of 2005. I thank Senator BINGAMAN for introducing this bill and working closely with me over the years to protect taxpayers and expand access to financial services. I also appreciate all of the efforts of Senators BAUCUS, SMITH, GRASSLEY, and PRYOR on this important piece of consumer protection legislation.

The earned income tax credit (EITC) helps working families meet their food, clothing, housing, transportation, and education needs. Unfortunately, EITC refunds intended for working families are unnecessarily diminished by excessive tax preparation fees and the use of refund anticipation loans (RALs). According to the Brookings Institution, an estimated \$1.9 billion intended to assist low-income families via the EITC was received by commercial tax preparers and affiliated national banks to pay for tax assistance, electronic filing of returns, and high-cost refund anticipation loans in 2002. Interest rates on RALs can range from 97 percent to more than 2,000 percent. The interest rates and fees charged on this type of product are not justified given the short duration and low repayment risk of this type of loan.

This legislation is a good start towards improving the quality of tax preparation services, providing relevant and useful disclosures about the use of RALs, and expanding access to low- and moderate-income families to mainstream financial services. The Act will provide the Department of the Treasury with the authority to regulate individuals preparing federal income tax returns and other documents for submission to the Internal Revenue Service. Fifty-seven percent of EITC overclaims were made on returns put together by paid preparers. This Act requires examinations, education, and oversight of paid preparers and urges citizens to utilize the services of an accredited or licensed tax preparer. This should improve the quality of tax preparation services available to our citizens.